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I. Policy Language and Coverage

A. Chapter 175: Section 54E. Insurance coverage for dwelling houses, comprehensive and medical coverages in connection with fire insurance coverage.

Scope of Coverage / Filing Requirements

_____ Any company authorized to insure against loss or damage by fire (which has been actively engaged in the fire insurance business in 1 or more states of the United States continuously for 10 years, or less than 10 years with the approval of the Commissioner, or whose predecessor or predecessors, if any prior to merger or consolidation, shall have been so engaged for such period) may insure against loss or damage to dwellings and appurtenant structures and to the contents thereof and

any other personal property of a similar nature of the insured or members of his household resulting from any peril proper to insure against in Massachusetts.

_____ The company may also insure against the legal liability of the insured, or of members of his household, arising out of non-business pursuits and for medical, surgical and hospital expenses.

_____ Insurance coverages for loss or damage by perils other than the peril of fire may be written only when insurance against the peril of fire is written in the same policy and on forms that have been submitted to and approved by the Commissioner.

B. Chapter 175: Section 193P. Fire insurance policies; non-renewal notice provision

Cancellation / Nonrenewal

_____ Except as otherwise specifically provided in this chapter, no policy providing protection against loss by reason of fire to a dwelling or contents thereof shall be issued unless it contains a provision that the insurer will give written notice of its intent not to renew or reissue a policy to the insured at least 45 days prior to the expiration of the policy which notice shall state or be accompanied by a writing stating the specific reasons for such decision.

C. Chapter 175: Section 99. Fire policy/standard form.

_____ No company shall issue policies or contracts which insure against loss or damage by fire or by fire and lightning to property or interests in Massachusetts other than those of the standard forms herein set forth, except as provided in section 22A and in section 102A, and except as follows:

Contents of Policies and Forms

_____ (a) A company may print on or in its policies its name, location, date of incorporation, plan of operation, whether stock or mutual, and, if the former, the amount of its paid-up capital stock.

_____ (b) A corporation organized under a special act of the legislature of any state may so indicate upon its policy and may add a statement of the plan under which it operates in this state.

_____ (c) A company may also print on or in its policies the names of its officers and agents, the number and date of the policy. (THERE IS NO LONGER A COUNTERSIGNATURE REQUIREMENT IN MASSACHUSETTS UNLESS THE STATE OF INCORPORATION FOR THE INSURER HAS THIS TYPE OF REQUIREMENT. IF THIS IS THE CASE, THEN MASSACHUSETTS' RETALIATORY PROVISIONS APPLY. SEE CHAPTER 175, SECTION 159).

- _____ (d) A company may also indicate on the face of its policies or elsewhere the perils insured against in the policy or in any actual or contemplated endorsements thereto or both, and may show the location and description of the property or interest covered, the amount, rate and premium applicable to the hazards insured and an abstract of other pertinent policy or endorsement provisions.
- _____ (e) A mutual company shall fix the contingent mutual liability of its members for the payment of losses and expenses not provided for by its cash funds and shall print on the filing-back of its policies the notice required by section 76, the endorsement required by section 80 and the statement required by MGL c.175, s.81.
- _____ (f) A company may print or use in its policies printed forms of description and specification of the property or interest covered.
- _____ (g) If policies are underwritten by a group, association or syndicate of companies, the names and principal places of business of said companies and the proportionate share of participation of each company may be stated at a place in the policy other than that indicated in the standard form for stating the name and principal place of business of the company.
- _____ (h) A domestic company may print in its policies any provisions which it is authorized or required by law to insert therein; and any foreign company may, with the approval of the Commissioner, so print any provision required by its charter or deed of settlement, or by the laws of its own state or country not contrary to the laws of this Commonwealth; but the Commissioner shall require any provision which in her opinion modifies the contract of insurance in such way as to affect the question of loss to be appended to the policy by a slip or rider as hereinafter provided.
- _____ (I) The blanks in the standard form may be filled in print or writing.
- _____ (j) A company may print upon policies issued in compliance with this section the words "Massachusetts Standard Policy".
- _____ (k) There shall be printed or stamped on the filing-back of every policy, in clear type not smaller than long primer, the words "In case of fire notify the company or its local agent at once in writing".
- _____ (l) The test clause and the signature of the properly designated officers of the company may be placed at the end of the policy instead of in the position indicated by the standard form.
- _____ (m) A company may write upon the margin or across the face of a policy, or write, or print in type not smaller than 10 point, 2 points leaded, upon separate slips or riders to be attached thereto, provisions adding to or modifying those contained in the standard form, and all such slips, riders and provisions shall be signed by the officers or agents of the company so using them. Nothing herein contained shall authorize any addition to or modification of any of the provisions

of said standard form relative to the rights of a mortgagee, a cancellation of the policy, a reference of the amount of a loss to 3 referees or the limitation of actions or suits.

_____ (n) A reciprocal or inter-insurance exchange may with the written approval of the Commissioner add to or modify the said standard form with respect to any provisions required by the plan of reciprocal insurance or inter-insurance.

_____ (o) The standard form of policy shall be plainly printed and all portions of the policy shall be in type of at least 10 point, 1 point leaded in size, and shall be substantively as follows:

Text of Standard Form of Policy

No. _____ \$0.00
(Corporate name of the company; its principal place or places of business.)

_____ In consideration of the provisions and stipulations herein or added hereto and of _____ dollars premium this company, for the term of from the day of _____, 2000 to the day of _____, 2000 at one minute past twelve o'clock ante-meridian, standard time, at _____ location of property involved, to an amount not exceeding _____ dollars, does insure and legal representatives, to the extent of the actual cash value of the property at the time of loss, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all loss by fire, lightning and by removal from premises endangered by the perils insured against in this policy, except as hereinafter provided, to the property described hereinafter while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

_____ Assignment of this policy shall not be valid except with the written consent of this company.

_____ This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

_____ In witness whereof, this company has executed and attested these presents.

_____ This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

_____ This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

_____ This company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in the neighboring premises; (j) nor shall this company be liable for loss by theft.

_____ Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

_____ Unless otherwise provided in writing added hereto this company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or (b) while the described premises, whether intended for occupancy by owner or tenant, are vacant or unoccupied beyond a period of sixty consecutive days for residential premises of three units or less and thirty consecutive days for all other premises; or (c) as a result of explosion or riot, unless fire ensue, and in that event for loss by fire only.

_____ Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

_____ The extent of the application of insurance under this policy and of the contribution to be made by this company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

_____ No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this company relating to appraisal or to any examination provided for herein.

_____ This policy shall be cancelled at any time at the request of the insured, in which case this company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this company by giving to the insured a five days written notice of cancellation, and to the mortgagee to whom this policy is payable twenty days written notice of cancellation except where the stated reason for cancellation is nonpayment of premium where, in such instance, this policy may be cancelled at any time by this company by giving to the insured a ten days written notice of cancellation, and the mortgagee a twenty days written

notice of cancellation, with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium, if not tendered, will be refunded on demand and shall state or be accompanied by a statement of the specific reason or reasons for such cancellation. After this policy has been in effect for sixty days, or after sixty days from any anniversary date, no notice of cancellation shall be effective unless it is based on the occurrence, after the effective date of the policy, of one or more of the following:

- _____ (1) nonpayment of premium;
 - _____ (2) conviction of a crime arising out of acts increasing the hazard insured against;
 - _____ (3) discovery of fraud or material misrepresentation by the insured in obtaining the policy;
 - _____ (4) discovery of willful or reckless acts or omissions by the insured increasing the hazard insured against;
 - _____ (5) physical changes in the property insured which result in the property becoming uninsurable; or
 - _____ (6) a determination by the Commissioner that continuation of the policy would violate or place the insurer in violation of the law. Where the stated reason is nonpayment of premium, the insured may continue the coverage and avoid the effect of the cancellation by payment at any time prior to the effective date of cancellation.
- _____ Notwithstanding any other provisions of this policy, if this policy shall be made payable to a mortgagee of the covered real estate, no act or default of any person other than such mortgagee or his agent or those claiming under him, whether the same occurs before or during the term of this policy, shall render this policy void as to such mortgagee nor affect such mortgagee's right to recover in case of loss on such real estate: provided, that the mortgagee shall on demand pay according to the established scale of rate for any increase of risk not paid for by the insured; and whenever this company shall be liable to a mortgagee for any sum for loss under this policy for which no liability exists as to the mortgagor, or owner, and this company shall elect by itself, or with others, to pay the mortgagee the full amount secured by such mortgage, then the mortgagee shall assign and transfer to the company interested, upon such payment, the said mortgage together with the note and debt thereby secured.
- _____ This company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved.
- _____ The insured shall give immediate written notice to this company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete

inventory of the destroyed and damaged property, showing in detail the quantity, description, actual cash value and amount of loss claimed; and the insured shall forthwith render to this company a signed, sworn statement in proof of loss which sets forth to the best knowledge and belief of the insured the following: the time and cause of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupancy, location, possession or exposures of said property, since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and detailed estimates for repair of the damage. The insured, as often as may be reasonably required, shall exhibit to any person designated by this company all that remains of any property herein described, and submit to examinations under oath by any person named by this company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this company or its representative, and shall permit extracts and copies thereof to be made.

In case of any loss or damage, the company, within 30 days after the insured shall have submitted a statement, as provided in the preceding clause, shall either pay the amount for which it shall be liable, which amount if not agreed upon, shall be ascertained by award of referees as hereinafter provided, or replace the property with other of the same kind and goodness; or it may, within 15 days after such statement is submitted, notify the insured of its intention to rebuild or repair the premises, or any portion thereof separately covered by this policy, and shall thereupon enter upon said premises and proceed to rebuild or repair the same with reasonable expedition. It is moreover understood that there can be no abandonment of the property described to the company, and that the company shall not in any case be liable for more than the sum insured, with interest thereon from the time when the loss shall become payable, as above provided. The company shall be liable for the payment of interest to the insured at a rate of 1 % over the prime interest rate on the agreed figure commencing 30 days after the date an executed proof of loss for such figure is received by the company, said interest to continue so long as the claim remains unpaid.

In case of loss under this policy and a failure of the parties to agree as to the amount of loss, it is mutually agreed that the amount of such loss shall be referred to 3 disinterested men, the company and the insured each choosing 1 out of 3 persons to be named by the other, and the 3rd being selected by the 2 so chosen; and the award in writing by a majority of the referees shall be conclusive and final upon the parties as to the amount of loss or damage, and such reference, unless waived by the parties, shall be a condition precedent to any right of action in law or equity to recover for such loss; but no person shall be chosen or act as a

referee, against the objection of either party, who has acted in a like capacity within 4 months.

_____ No suit or action against this company for the recovery of any claim by virtue of this policy shall be sustained in any court of law or equity in this Commonwealth unless commenced within 2 years from the time the loss occurred; provided, however, that if, within said 2 years, in accordance with the provisions of the preceding paragraph, the amount of the loss shall have been referred to arbitration after failure of the parties to agree thereon, the limitation of time for bringing such suit or action shall in no event be less than 90 days after a valid award has been made upon such reference or after such reference or award has been expressly waived by the parties. If suit or action upon this policy is enjoined or abated, suit or action may be commenced at any time within 1 year after the dissolution of such injunction, or the abatement of such suit or action, to the same extent as would be possible if there was no limitation of time provided herein for the bringing of such suit or action.

_____ This company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this company.

Change to Loss Settlement Clause

_____ Notwithstanding any other provision of this chapter, the Commissioner may approve for use in the Commonwealth a provision, which changes the loss settlement clauses of the standard policy, which requires coverage to the extent of actual cash value. Such changes must provide a reasonable, clearly specified coverage definition, and may be equivalent to, greater than or less than actual cash value.

Additional Mandatory Policy Language

_____ A company shall print on or in all its policies, that:

_____ Notwithstanding any provision to the contrary of any general or special law, said company shall, before paying any claim for loss or damage to real property, other than owner-occupied 1, 2, 3, or 4 family dwellings, from any hazard, where the amount of the loss payable under the policy equals or exceeds \$5,000, first require the claimant to submit to the company a certificate of municipal liens from the collector of taxes of the city or town wherein such property is located.

_____ Said company shall pay to the city or town any amounts shown on the certificate of municipal liens as outstanding on the date of loss and upon which interest is accruing as of the said date of loss, arising from the provisions of chapters 40, 59, 60, 80, 83 and section 58B to 58F, inclusive, of chapter 164 to the extent of the amount of loss payable under the policy and a copy of said transaction shall be sent to the insured and mortgagees named on the policy.

_____ The claim of the city or town for such amounts shall have priority over the claim of any insured owner, mortgagee, assignee or other interested party except where otherwise provided by the laws of the United States.

_____ Said company shall not be liable to any insured owner, mortgagee, assignee, city or town, or other interested party for amounts disbursed to a city or town or for amounts not disbursed to said city or town based upon a certificate indicating the nonexistence of any municipal liens.

A company shall print on, or in, all of its policies that:

_____ The insurer shall not pay any claim (1) covering any loss, damage, or destruction to a building or other structure, amounting to \$1,000 or more, or (2) covering any loss, damage or destruction of any amount, which causes the condition of a building or other structure to render MGL c. 143, s. 6 applicable, without having at least 10 days previously, given written notice to the building Commissioner or inspector of buildings appointed pursuant to the state building code, and to the board of health or the board of selectmen of the city or town in which the same is located. If at any time prior to payment the said city or town notifies the insurer by certified mail of its intent to initiate proceedings designed to perfect a lien pursuant to section 3A, or to MGL c. 143, s. 9, or MGL c. 111, s. 127B, the said payment shall not be made while the said proceedings are pending; provided, however, that said proceedings are initiated within 30 days of receipt of such notification.

_____ Any lien perfected pursuant to section 3A, or to MGL c.143, s. 9, or MGL c.111, s. 127B, shall extend to and may be enforced by the city or town against any casualty insurance policy or policies covering any loss, damage, or destruction pursuant to which the proceedings to perfect the lien were initiated. No insurer shall be liable to any insured owner, mortgagee, assignee, city or town, or other interested party for amounts disbursed to a city or town, or for amounts not disbursed to a city or town under the provisions of this section.

Relocation Benefits

_____ Every policy which insures multi-unit residential property against loss or damage by fire shall provide additional benefits, by endorsement attached to the policy, up to a limit of \$750, without deductible, for each rental unit to cover the actual costs of relocation of any tenant or lawful occupant displaced by fire or by damage resulting from fire. Benefits under this clause shall be paid by the insurer to the tenant or lawful occupant after taking into account benefits available under any other policy. The terms and conditions of such clause shall be approved or prescribed by the Commissioner. The landlord or lessor of the property shall notify each tenant or lawful occupant in writing of the benefits payable under this clause at the beginning of the lease or tenancy period. A waiver of this provision in any lease or other rental agreement shall be void and unenforceable. The Commissioner may exempt from the provisions of this clause residence halls and dormitories operated by institutions of public higher education; provided,

however, that the institution assumes responsibility for the relocation of any tenant displaced by fire or by damage resulting from fire.

Elimination / Reduction in Coverage

_____ In the event a company or filing or rating organization eliminates or reduces coverages, conditions or definitions in such policies issued under this section, the company must attach to each of such policy a printed notice setting forth what coverages, conditions or definitions have been eliminated or reduced. If explanations of such reduced or eliminated coverages are not contained in such a printed notice attached to such policy, then such coverages, conditions or definitions shall remain in full force and effect without such reductions or eliminations.

Additional Filing Provisions:

Terrorism:

_____ Insurers for providing coverage for Homeowners' may not exclude coverage for damage related to acts of terrorism. At the present time, the Division of Insurance maintains a policy generally prohibiting the use of exclusions for damages related to acts of terrorism. However, in cases where the insurers can demonstrate a substantial need for the use of such exclusion, the Division may consider on a case by case basis.

Mold Coverage:

_____ Insurers who provide personal lines policies are required to provide minimum limits for mold. Insurers providing personal lines insurance coverage should provide a \$10,000 base coverage and offer extended property coverage options of \$25,000 and \$50,000. Insurers must provide \$50,000 liability coverage and offer extended liability coverage of up to \$100,000 at the option of the insured.

Unfair and Deceptive Trade Practices:

_____ Any filing not in compliance with the above referenced requirements may be deemed to be in violation of the provisions of Chapter 176D of the Massachusetts General Laws. We hereby certify that the provisions set forth in this filing do not entail any intentional unfair and deceptive trade practices. Furthermore, we understand that we are subject to the penalties associated with practices that are in clear violation of this statute.

Dog/Animal Bite Exclusions:

_____ The Division does not allow companies to use blanket dog bite exclusions in a homeowners', personal liability or multi peril policies. Dog bite exclusions are allowed only as to certain breeds and/or dogs with a prior history of biting. The company should specify in the endorsement the breeds they deem aggressive. If a company is seeking to exclude a particular dog, not within an aggressive breed, it must specify and address, in the endorsement, the facts that support their assessment. All such endorsements are subject to review and approval by the Division.

Guaranteed Replacement Cost:

_____ Homeowners "guaranteed" replacement coverage on the dwelling may be capped at no less than 125% of the amount of insurance on the dwelling.